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C O N F I D E N T I A L SECTION 01 OF 02 DILI 000356

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TAGS: [PREL](#) [PGOV](#) [PREF](#) [KJUS](#) [EAID](#) [KDEM](#) [PINR](#) [TT](#)
SUBJECT: AMBASSADOR'S MEETING WITH NEW DEPUTY PRIME MINISTER

REF: DILI 355

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CLASSIFIED BY: Grover Joseph Rees, Ambassador, EXEC, State.
REASON: 1.4 (b), (d)

11. (SBU) Summary: The Ambassador congratulated newly inaugurated Deputy Prime Minister Estanislau Da Silva and discussed the new Government's priorities. According to Da Silva, who had been the Fretilin leadership's first choice for Prime Minister, the discussions between President Xanana Gusmao and Fretilin leaders to select new Government leaders were relatively quick and non-confrontational because Fretilin took an accommodating stance. End summary.

12. (C) During a courtesy call to congratulate newly inaugurated First Deputy Prime Minister Estanislau Da Silva, the Ambassador learned Da Silva's views on the future of policing, the draft election law, and other priorities of the new Government. Da Silva said he had been surprised that Timorese police (PNTL) had been so heavily armed in recent years, blamed the problem on former Minister of the Interior Rogerio Lobato, and said the police should not be given automatic weapons in the future. Asked about allegations that arms remain in the hands of Fretilin party loyalists in several districts, Da Silva said he did not know whether these reports are true but did not discount them. Da Silva said the election law would be a top priority of the new Government and predicted that the draft law would be the subject of consultations in the coming three months. He believes the existing electoral institutions should be left in place but should work with close UN supervision in preparing the 2007 elections. (Comment: There appears to be some tension between the position of Da Silva, a Fretilin leader who is close to former Prime Minister Mari Alkatiri, and the views of new Prime Minister Jose Ramos-Horta. Ramos-Horta has indicated publicly and privately that he prefers a complete restructuring of East Timor's electoral institutions, with the independent electoral commission (CNE) having authority over election administration, whereas Da Silva appeared to endorse the current system under which the Fretilin-led Ministry of State Administration would run the elections. Ramos-Horta has also suggested that the upcoming UN mission have ultimate authority over the 2007 election process, whereas Da Silva spoke only of UN "assistance.") Other priorities for the new Government, according to the Deputy Prime Minister, include security and housing in order to persuade many thousands of internally

displaced persons (IDPs) to return to their homes, rural development, school feeding programs, re-establishing community cohesion, and attracting investment.

¶3. (C) Da Silva spoke briefly about the July 7-8 negotiations between Fretilin leaders and President Xanana Gusmao leading to the selection of Jose Ramos-Horta as Prime Minister and of Da Silva and Rui Araujo as Deputy Prime Ministers. See Reftel. He described the meetings, which lasted three and half hours on Friday and continued for about two hours on Saturday, as brief and non-confrontational. Fretilin had originally proposed Da Silva himself as Prime Minister, but Da Silva said the Fretilin leaders put up little resistance when Gusmao stated his preference for Ramos-Horta. (Note: President Gusmao's somewhat different and more detailed account of the negotiations will be reported in septel.)

¶4. (U) Da Silva described his relations with opposition parties as good and suggested that there would be regular meetings between the new Government and opposition leaders. He took the opportunity to suggest that Parliamentary leaders could benefit from donor-funded leadership training. Asked to elaborate on this view, he suggested that some opposition leaders are not really interested in working together across party lines.

¶5. (U) Da Silva confirmed that he would retain the position as Minister of Agriculture, which he held in the previous Government, and that Dr. Araujo would retain the health portfolio. As for the distribution of responsibilities among the Prime Minister and Deputy Prime Ministers, Da Silva said he would be responsible for social and economic issues including labor and youth while Da Silva would be responsible for finance. (Note: This is more or less consistent with the President Gusmao's account of the distribution of authority in the new Government. The President suggested to Ambassador today that the reform-minded Araujo will be in charge of finance, procurement, customs, and other areas that have been or might become subject to corruption, whereas Da Silva will be in charge of implementing the national development plan and drafting needed regulations. See septel.)

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¶6. (C) Comment: Da Silva is intelligent, friendly, and accessible. He speaks English well but not comfortably. He has a history of cooperation with the U.S. on development issues, and he made clear in today's meeting that he welcomes our continued assistance and co-operation. However, at least for now when Da Silva says "we" he usually means the Fretilin party inner circle consisting of Alkatiri and his closest associates, rather than the new Ramos-Horta government in which he is the second-ranking official. End comment.
REES